

# VREB SPEAKING

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Spring 2002

A Newsletter for Virginia Real Estate Licensees

## **UPDATED APPLICATIONS AND FORMS**

**ALL** Real Estate applications and forms have been revised **effective January 2, 2002.** The current Real Estate Board applications and forms may be obtained on our website, [www.state.va.us/dpor](http://www.state.va.us/dpor). By selecting "Forms", applications and forms pertaining to the Real Estate Board may be accessed.

The Board updates their forms and applications to reflect the current requirements and fees. To ensure that the proper information and fee are submitted, **WE WILL NOT ACCEPT OUTDATED APPLICATIONS AND FORMS AFTER JUNE 30, 2002.** Licensees should check the date located on the bottom left hand corner on the applications and forms to make sure they are submitting the current applications and forms.

## **PROPERTY OWNERS' ASSOCIATION ACT DISCLOSURE PACKET**

The Property Owners' Association Act (§§ 55-508 through 55-516.2 of the *Code of Virginia*) became law in 1989. The Act applies to most associations. In general, the Act does not apply to associations subject to a declaration initially recorded prior to January 1, 1959, or prior to July 1, 1991 if regular annual assessments per lot are less than \$150 per year.

The Act requires associations to make an association disclosure packet available to an owner, or authorized agent of the owner, within 14 days of request and requires the owner (seller) to provide the packet to the purchaser. The Act also specifies the items to be included in the disclosure packet.

An important change in law regarding disclosure packets became effective July 1, 2000 (§ 54.1-2105.1 of the *Code of Virginia*). The law requires the Real Estate Board to develop and disseminate a one-page form which summarizes the unique characteristics of property owners' associations, including the obligation of the owner to pay regular annual or special assessments to the association, the penalty for failure to pay the assessments, the purposes for which the assessments may be used, and the importance the

declaration of restrictive covenants and other governing documents play in association living. **The completed form must be included in the disclosure packet.**

Note: Links to the Property Owners' Association Act and the form (Association Disclosure Packet Notice) may be found on the Property Registration page of DPOR's website at [www.state.va.us/dpor](http://www.state.va.us/dpor).

## **INACTIVE LICENSE**

A few facts about placing a Virginia Real Estate License on inactive status:

- A licensee may maintain their license on inactive status as long as the renewal fee is paid at the end of each two-year license term. If the renewal requirements are not completed within one year after the expiration date, the license may not be reinstated under any circumstances.
- Completion of continuing education is not required to maintain a license on inactive status.
- Affiliating a license with a "referral" company does not place the license on inactive status. A license affiliated with any firm must be active.

Sometimes licensees confuse their real estate association membership and licensure with the Virginia Real Estate Board. The association will classify a licensee affiliated with a referral company as inactive in regard to their membership. Only the Virginia Real Estate Board has the authority to change the status of a Real Estate License.

- In order to activate a license:
  1. Continuing education must be completed within two years prior to activation of the license.
  2. If inactive for over three years, the licensee must also document completion of 60 hours of principles of real estate for activation of a salesperson license or 180 hours of broker education for activation of a broker's license.
- The activation application may be found on the website, [www.state.va.us/dpor](http://www.state.va.us/dpor). Select Forms.

## **REGULATORY REVIEW**

The Board initiated the regulatory review process for its licensing regulations in 2001. A committee of Board members and licensees met several times and provided a recommendation to the full Board. On December 6, 2001, the Board adopted proposed regulations. These regulations will be published in the *Register of Regulations* upon approval of the Executive Branch. When the proposed regulations are published, they will be available on the *Regulatory Town Hall* website at <http://www.townhall.state.va.us> and a 60 day comment period will begin. You may check the status of the regulations and submit comment through the *Regulatory Town Hall* website, or you may contact the Board to be placed on our Public Participation Guidelines list which will result in your receiving notice of publication of the proposed regulations.

A summary of the proposal follows:

- makes general clarifying changes throughout the regulations;
- imposes less burdensome requirements for reciprocal applicants by deleting the requirement to pass the Virginia real estate license law and regulations portion of the examination upon licensure and requiring passage of the examination at the time of the first renewal (public protection is maintained because licensees have been practicing in other jurisdictions and have provided documentation regarding the status of their licenses, including any disciplinary action taken);
- clarifies language regarding applicants with criminal convictions which will enable individuals with minor convictions to obtain a license without the delay of Board review through the Administrative Process Act;
- revises language regarding the supervision of branch offices to focus on the actual supervision provided rather than the physical location of the office which increases public protection by specifying in detail the type of supervision required to ensure compliance with applicable laws and regulations;
- adds clarifying language to the escrow provisions (by adding language regarding the required balance in escrow accounts and the provision prohibiting the payment of commissions to licensees from the escrow account)
- adds language to the escrow provisions regarding the disbursement of escrow moneys in the event the transaction is not consummated (these provisions permit the individual to get funds due them in a more expedient manner while at the same time containing notice requirements to protect all parties)
- revises the advertising provisions for simplification purposes, to incorporate internet advertising that

will provide increased public protection, and by adding specific disclosure requirements;

- combines Parts V and VI, Standards of Practice and Conduct.

## ***CONTRACTS FOR PURCHASE OF REAL ESTATE***

The Consumer Real Estate Settlement Protection Act requires all contracts for purchase of real estate containing not more than four residential units to contain a disclosure which advises consumers they have a right to choose their settlement agent. See § 6.1-2.22, *Code of Virginia*. The Bureau of Insurance at the State Corporation Commission has advised the Board that their investigators find many real estate contracts that do not contain this disclosure. Therefore, the Real Estate Board wishes to remind their licensees of this requirement.

## ***REGULANT LOOKUP***

The DPOR website ([www.state.va.us/dpor](http://www.state.va.us/dpor)) has a feature called "Regulant Lookup" which is found on the homepage. This feature allows anyone to check on the license status of any person regulated by DPOR. Only current, active records appear on the website. The Real Estate portion of Regulant Lookup has an additional feature which shows the reported continuing education credit for each licensee's current license term. This will make it easier for everyone to keep up with the status of their continuing education requirements.

The continuing education credit will appear only **after** it has been reported to the Board. When a licensee takes a continuing education course, the course must be reported to the Board in order to be credited to an individual's record. Staff then updates the individual license records to reflect the continuing education credit obtained. After the records are updated, the continuing education information will appear on the individual real estate licensee's lookup.

To access a person's record, go to the DPOR website, click on Regulant Lookup, go to Real Estate, check the "Individuals" box then scroll down and fill in the appropriate information. You must have either the person's license number or the correctly spelled name.

## ***CONTINUING EDUCATION REMINDERS***

- Every active real estate broker and salesperson is required to take at least eight hours of continuing

education during each licensing term. The eight hours shall include no less than four hours of training in fair housing laws, state real estate laws and regulations, and ethics and standards of conduct.

- Licensees should take their continuing education in a timely manner to avoid delays in license renewal. Your license renewal cannot be processed until **both** your renewal fee and continuing education credits are posted to your license record.
- It is important to use the name in which your license is issued when signing up to take continuing education courses. While conducting business, many people use nicknames or have multiple surnames, which may or may not be hyphenated. In order for continuing education to be properly credited to your record, **your name, as it appears on your license**, needs to be provided by you to the continuing education provider so they can, in turn, give it to the Board. If a different name is used, errors occur when posting the continuing education credits to records resulting in processing delays.

## ***THE BOARD MEMBERS***

Effective July 1, 2001, former Governor James Gilmore appointed one new member to the Real Estate Board. The one appointee represents the Real Estate Industry. The appointee is:

R. Schaefer Oglesby of Lynchburg. Mr. Oglesby is principal broker of Piedmont Realtors.

Mr. Oglesby joins the Real Estate Board as one of nine members, seven of whom are licensed real estate brokers or salespersons and two of whom are citizen members. The other members of the Real Estate Board are:

Joseph K. Funkhouser, II of Harrisonburg. Mr. Funkhouser is principal broker of Coldwell Banker Funkhouser Realtors and currently serves as Board Chairperson.

James T. Pappas of Ashland. Mr. Pappas is an associate broker with Virginia Real Estate & Development, Inc. and is Vice-Chair.

Maryann Dunn of Lorton. Mrs. Dunn is an associate broker with Weichert Realtors.

Gerald S. Divaris of Virginia Beach. Mr. Divaris is principal broker of Divaris Real Estate, Inc.

J.A.G. Parrish of Virginia Beach. Mr. Parrish is a citizen member and worked in mortgage banking and real estate development prior to retiring.

S. Ronald Owens of Roanoke. Mr. Owens is an associate broker with Owens & Company of Virginia, Inc.

Frank J. Quayle, III of Charlottesville. Mr. Quayle is an associate broker with Roy Wheeler Realty Company.

Lawrence E. Marshall, II of Glen Allen. Mr. Marshall is a citizen member and is an attorney with the law firm of LeClair Ryan.

**VREB SPEAKING** is a publication of

The Real Estate Board  
3600 West Broad Street  
Richmond, Virginia 23230

Real Estate Board Meetings are scheduled for:

May 9, 2002                      September 12, 2002  
July 11, 2002                    October 24, 2002  
December 5, 2002

at the Department of Professional and Occupational Regulation,  
Richmond, VA

Internet Address                      [www.state.va.us/dpor](http://www.state.va.us/dpor)

E-mail Address                      reboard@dpor.state.va.us

Telephone Numbers:

DPOR..... 804-367-8500  
Licensing..... 804-367-8526  
Fair Housing ..... 804-367-8530  
Appraisal ..... 804-367-2039  
Property Registration ..... 804-367-8510  
Enforcement..... 804-367-8504  
Enforcement, Unlicensed Activity ..... 804-367-2195

**BOARD MEMBERS:**

Joseph K. Funkhouser, II, Chairperson ..... Harrisonburg  
James T. Pappas, Vice Chair ..... Ashland  
Gerald S. Divaris ..... Virginia Beach  
Maryann Dunn ..... Lorton  
Lawrence E. Marshall, II ..... Glen Allen  
S. Ronald Owens ..... Roanoke  
J. A. G. Parrish ..... Virginia Beach  
Frank J. Quayle, III ..... Charlottesville  
R. Schaefer Oglesby ..... Lynchburg

**STAFF MEMBERS:**

Louise Fontaine Ware ..... Director  
Sandra Whitley Ryals ..... Chief Deputy Director  
Karen W. O'Neal ..... Assistant Director  
John Cancelleri ..... Fair Housing Administrator  
Werner Versch II ..... Property Reg. Administrator  
Maryanne Woo ..... Office Manager  
Camille Palmer ..... Administrative Assistant  
James L. Guffey ..... Deputy Director for Enforcement  
Christine Martine ..... Education Administrator

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**COMMONWEALTH OF VIRGINIA**  
**Department of Professional and**  
**Occupational Regulation**  
**3600 West Broad Street**  
**Richmond, Virginia 23230-4917**

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